

The Budget—Mr. Benidickson

Now, at this stage I am not going to belabour the question of what is the real deficit, either in the accounts of 1958-59 or 1959-60. However, I am going to point out again that as a result of some rather slick bookkeeping, the minister is still successful in planting this figure of a deficit of \$617 million rather than the real figure of \$835 million. I say to the minister that if it was his intention to keep these expenditures from the defence account out of the current budget he required to do more than simply make a speech about it as he did on budget night in June last. Actually I think he will find that he saw to it that not only were those proposed defence expenditures in full put in the blue book of estimates, but that they were included in appropriation bill No. 5 as part of the budget at the gross amount, \$1,630 million.

But I am afraid that some of this type of arithmetic is not over with. We all noted that again this year there appears prominently a figure of this kind. When the minister estimates the deficit for the forthcoming year at \$393 million surely it is obvious that, contrary to practice for quite a number of years, he has no intention of including in the expenditures for this year a fairly closely calculable item of \$42 million, namely the expected deficit in the old age pension fund. He did not say positively that this would be recovered even within the following year; he said it might take two or three years to recover that amount. But the point is that that is to be a borrowed item. In accordance with the practice of past years one would have expected that it would have been included in the budget in the normal way.

I said the other night that one of the obvious indicators of decreasing financial confidence in the competence, understanding and real intention and determination of this government to cope with what I agree were fairly massive, wide dimensional problems, was the steadily declining prices offered for federal bonds. The minister spoke again on Thursday to the body politic; but while the patient realizes that he cannot change his physician for a couple of years yet, he did not seem to be any more convinced that he was getting the right treatment. Because actually, following the minister's statement with respect to mammoth increases in expenditures, borrowings, debt and taxes, federal securities weakened again the day after the budget. The latest budget, no more than other financial statements, I submit to the minister, therefore has not succeeded in convincing the country that they know what are the intentions of the minister and the administration in these all-important matters.

That indeed is the charge we have made against this administration, but I did not expect it to come from the chief journalistic supporter in Toronto of the Conservative administration. However on Saturday, after examination of the budget, the *Toronto Globe and Mail* had this to say:

The present government at Ottawa has not yet arrived at a fiscal policy. It is simply struggling to raise money for a 12-month period—the money needed to meet its cumulative commitments, and the predetermined expenditures of its various departments.

We have said before that the budget deficit of last year was not planned but merely happened. We say again that the new taxes and the important deficit for this year are again the result of a long series of unco-ordinated decisions. I know the minister would like us to believe otherwise. He would like us to think these were part of an over-all financial plan. However, I think the record is against him. For too long, in matters of this kind, the ministry has not been planning ahead. Its decisions have been on a hit or miss basis, and the minister has had no choice but simply to pick up the chips for the bungling and bumbling that has involved only hindsight and not foresight. The big thing is that the ministry continues to keep the country in the dark as to its real intentions. As a result we have continued confusion and uncertainty. That is why the country lacks confidence financially in the administration.

As we know, from the very beginning we have had conflicts among important people in the ministry as to what is the real plan and intention of this government in matters of fiscal policy. During the election campaign of 1957 the Minister of Finance was just as vigorous and almost as vocal as was the Prime Minister when he told the people, and convinced them, that it was possible to increase old age pensions, make larger payments to the provinces and municipalities, cut income taxes, cut automobile taxes and do all these things on a balanced budget. That is obvious from a great number of quotations that are available to us. In Vancouver in 1957 the Prime Minister said:

The Liberals say they cannot increase pensions and reduce taxes. Give us a chance and we will show you.

Of course we all know with what indignation and withering scorn he was able to make assertions of that kind, but the point I want to make is this. Even after six or seven months of the responsibility of office was there any indication on the part of the Prime Minister that as a result of being on the other side of the house he had found out some of the facts of life with respect to financial policy, or that he was more knowledgeable or realistic in matters of that kind?